

**NINETY SIXTH DAY**

House Chamber, Olympia, Friday, April 17, 2015

The House was called to order at 9:55 a.m. by the Speaker (Representative Orwall presiding).

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

**MESSAGES FROM THE SENATE**

April 16, 2015

MR. SPEAKER:

The President has signed:

SECOND SUBSTITUTE SENATE BILL NO. 5052  
and the same is herewith transmitted.

Hunter G. Goodman, Secretary

April 16, 2015

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

SENATE BILL NO. 5011  
SUBSTITUTE SENATE BILL NO. 5027  
SUBSTITUTE SENATE BILL NO. 5030  
SENATE BILL NO. 5070  
SENATE BILL NO. 5085  
SENATE BILL NO. 5100  
SUBSTITUTE SENATE BILL NO. 5147  
SUBSTITUTE SENATE BILL NO. 5163  
SUBSTITUTE SENATE BILL NO. 5166  
SUBSTITUTE SENATE BILL NO. 5202  
SUBSTITUTE SENATE BILL NO. 5276  
SUBSTITUTE SENATE BILL NO. 5292  
SUBSTITUTE SENATE BILL NO. 5299  
SENATE BILL NO. 5307  
SUBSTITUTE SENATE BILL NO. 5328  
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5353  
SUBSTITUTE SENATE BILL NO. 5362  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5441  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5460  
SUBSTITUTE SENATE BILL NO. 5481  
SUBSTITUTE SENATE BILL NO. 5501  
SUBSTITUTE SENATE BILL NO. 5534  
SUBSTITUTE SENATE BILL NO. 5538  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5550  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5557  
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5564  
SUBSTITUTE SENATE BILL NO. 5596  
SUBSTITUTE SENATE BILL NO. 5600  
SUBSTITUTE SENATE BILL NO. 5633  
SENATE BILL NO. 5647  
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5649  
SENATE BILL NO. 5650  
SENATE BILL NO. 5692  
SUBSTITUTE SENATE BILL NO. 5740  
SECOND SUBSTITUTE SENATE BILL NO. 5851  
SUBSTITUTE SENATE BILL NO. 5877  
SECOND SUBSTITUTE SENATE BILL NO. 5888

ENGROSSED SENATE BILL NO. 5893  
ENGROSSED SENATE BILL NO. 5923  
ENGROSSED SENATE BILL NO. 5935  
SUBSTITUTE SENATE BILL NO. 5957  
SENATE BILL NO. 5958

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

April 16, 2015

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

SUBSTITUTE SENATE BILL NO. 5004  
SENATE BILL NO. 5024  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5084  
SENATE BILL NO. 5107  
SUBSTITUTE SENATE BILL NO. 5280  
SENATE BILL NO. 5297  
SUBSTITUTE SENATE BILL NO. 5381  
ENGROSSED SENATE BILL NO. 5471  
ENGROSSED SENATE BILL NO. 5510  
SUBSTITUTE SENATE BILL NO. 5719  
ENGROSSED SENATE BILL NO. 5863

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

April 16, 2015

MR. SPEAKER:

The President has signed:

SENATE BILL NO. 5139  
SENATE BILL NO. 5207  
SENATE BILL NO. 5227  
SENATE BILL NO. 5288  
SENATE BILL NO. 5314  
SUBSTITUTE SENATE BILL NO. 5348  
ENGROSSED SENATE BILL NO. 5419  
SUBSTITUTE SENATE BILL NO. 5433  
SENATE BILL NO. 5468  
ENGROSSED SUBSTITUTE SENATE BILL NO. 5743  
SENATE BILL NO. 5746  
ENGROSSED SENATE BILL NO. 5871  
SENATE JOINT MEMORIAL NO. 8008  
SENATE JOINT MEMORIAL NO. 8013

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

There being no objection, the House advanced to the fourth order of business.

**INTRODUCTION & FIRST READING**

2SSB 5449 by Senate Committee on Ways & Means (originally sponsored by Senators Braun, Rivers, Brown, Hobbs,

Dammeier, Becker, Mullet, Sheldon, Warnick, Fain, Honeyford, Hewitt and Frockt)

April 14, 2015

ESSB 5988 Prime Sponsor, Committee on Transportation:  
Concerning additive transportation funding and appropriations. Reported by Committee on Transportation

AN ACT Relating to creating a tax division of the court of appeals; amending RCW 2.06.020, 2.06.030, 2.06.040, 2.06.050, 2.06.070, 2.06.150, 34.05.030, 39.88.060, 42.17A.705, 79.125.450, 82.01.090, 82.29A.060, 82.32.160, 82.32.170, 82.32.180, 82.49.060, 84.08.060, 84.08.130, 84.33.091, 84.34.065, 84.36.850, 84.39.020, 84.40.038, 84.48.080, 84.52.018, 84.56.290, 84.69.020, 84.69.030, and 84.69.180; reenacting and amending RCW 34.12.020; adding new sections to chapter 2.06 RCW; creating new sections; repealing RCW 82.03.010, 82.03.020, 82.03.030, 82.03.040, 82.03.050, 82.03.060, 82.03.070, 82.03.080, 82.03.090, 82.03.100, 82.03.110, 82.03.120, 82.03.130, 82.03.140, 82.03.150, 82.03.160, 82.03.170, 82.03.180, 82.03.190, 82.03.200, and 82.32.150; and providing effective dates.

MAJORITY recommendation: Do pass as amended.

FORMATTING CHANGED TO ACCOMMODATE TEXT

Referred to Committee on Judiciary.

There being no objection, the bill listed on the day's introduction sheet under the fourth order of business was referred to the committees so designated.

There being no objection, the House advanced to the fifth order of business.

#### REPORTS OF STANDING COMMITTEES

April 14, 2015

HB 1298 Prime Sponsor, Representative Clibborn:  
Authorizing bonds for the financing of transportation projects. Reported by Committee on Transportation

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist; Gregerson; Kochmar; McBride; Moeller; Morris; Ortiz-Self; Riccelli; Rodne; Sells; Takko; Tarleton and Zeiger.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth; Hayes; Pike; Shea; Wilson and Young.

Passed to Committee on Rules for second reading.

April 15, 2015

HB 2194 Prime Sponsor, Representative Hunter: Creating a funding stream and program for cancer research, prevention, and care. Reported by Committee on Technology & Economic Development

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Morris, Chair; Tarleton, Vice Chair; Fey; Hudgins; Magendanz; Ryu; Santos and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Smith, Ranking Minority Member; DeBolt, Assistant Ranking Minority Member; Harmsworth; Nealey and Young.

Referred to Committee on Finance.

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** (1) An additive transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 2017.

(2) It is the intent of the legislature that the funding levels specified in LEAP Transportation Documents 2015 NLH-1, NLH-2, and NLH-3 as developed April 12, 2015, represents a commitment to provide appropriations to the agencies, programs, and activities at the amounts identified therein through fiscal year 2031.

(3) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.

(a) "Fiscal year 2016" or "FY 2016" means the fiscal year ending June 30, 2016.

(b) "Fiscal year 2017" or "FY 2017" means the fiscal year ending June 30, 2017.

(c) "FTE" means full-time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

(f) "Reappropriation" means appropriation and, unless the context clearly provides otherwise, is subject to the relevant conditions and limitations applicable to appropriations.

(g) "LEAP" means the legislative evaluation and accountability program committee.

(h) "TEIS" means the transportation executive information system.

#### 2015-2017 FISCAL BIENNIUM

#### GENERAL GOVERNMENT AGENCIES—OPERATING

#### **NEW SECTION. Sec. 101. FOR THE STATE PARKS AND RECREATION COMMISSION**

Snowmobile Account—State Appropriation ..... \$398,000

#### **NEW SECTION. Sec. 102. FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

Recreation Resource Account—State Appropriation ..... \$3,528,000

#### **NEW SECTION. Sec. 103. FOR THE DEPARTMENT OF NATURAL RESOURCES**

ORV and Nonhighway Vehicle Account—State

Appropriation ..... \$1,399,000

Nonhighway and Off-Road Vehicle Activities Program

Account—State Appropriation ..... \$1,972,000

TOTAL APPROPRIATION ..... \$3,371,000

#### TRANSPORTATION AGENCIES—OPERATING

#### **NEW SECTION. Sec. 201. FOR THE JOINT TRANSPORTATION COMMITTEE**

Motor Vehicle Account—State Appropriation ..... \$450,000

The appropriation in this section is subject to the following conditions and limitations: \$450,000 of the motor vehicle account—state appropriation is for the joint transportation committee for the design-build contracting review panel established in chapter ... (Engrossed Substitute Senate Bill No. 5997), Laws of 2015. The department of transportation must provide technical assistance, as necessary. If chapter ... (Engrossed Substitute Senate Bill No. 5997), Laws of 2015 is not enacted by June 30, 2015, the amount provided in this subsection lapses.

#### **NEW SECTION. Sec. 202. FOR THE TRANSPORTATION COMMISSION**

Motor Vehicle Account—State Appropriation ..... \$50,000

The appropriation in this section is subject to the following conditions and limitations: \$50,000 of the motor vehicle account—state appropriation is provided for a disadvantaged business entity advisory committee that is formed and administered by the transportation commission. The intent of the advisory committee is to provide accountability and transparency regarding disadvantaged business entity spending levels and participation on state funded transportation projects. The advisory committee shall create a mission, vision, goals, and a work plan to complete goals and issue a report with recommendations to the house and senate transportation committees by December 31, 2016. The state department of transportation, office of minority and women's business enterprises, department of labor, and other relevant state agencies shall be available to assist in supplying necessary data and information to fulfill the advisory committee's purpose. The fifteen-member advisory committee shall meet at least four times in the 2015-2017 biennium. The members shall jointly be appointed by the speaker of the house and the president of the senate and shall receive input on nominees from the commission on Hispanic affairs, commission on African affairs, commission on Asian Pacific affairs, and office of Indian affairs with at least one member from each commission or office being appointed. One member from each caucus in the house of representatives and senate shall also be appointed to the advisory committee. Up to fifty thousand dollars shall be provided to the transportation commission for the purpose of assisting the advisory committee and reimbursement costs for member participation.

#### **NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF LICENSING**

Motor Vehicle Account—State Appropriation ..... \$4,000,000

The appropriation in this section is subject to the following conditions and limitations: \$4,000,000 of the motor vehicle account—state appropriation is provided solely for implementation of chapter ... (Engrossed Substitute Senate Bill No. 5987) (transportation revenue), Laws of 2015.

#### **NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M**

Connecting Washington Account—State Appropriation ..... \$6,250,000

**NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF TRANSPORTATION—TRAFFIC OPERATIONS—PROGRAM**

**Q**

Connecting Washington Account—State Appropriation ..... \$3,125,000

**NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S**

Multimodal Transportation Account—State Appropriation ..... \$1,500,000

The appropriation in this section is subject to the following conditions and limitations: \$1,500,000 of the multimodal transportation account—state appropriation is provided solely for a grant program that makes awards for the following: (1) Support for nonprofit agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (2) preapprenticeship training; and (3) transportation and other supports that are needed to help women and minorities enter and succeed in apprenticeship. The department must report on grants that have been awarded and the amount of funds disbursed by December 1, 2015, and annually thereafter.

**NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V**

Regional Mobility Grant Program Account—State

Appropriation ..... \$15,000,000

Rural Mobility Grant Program Account—State

Appropriation ..... \$9,000,000

Multimodal Transportation Account—State Appropriation ..... \$27,000,000

**TOTAL APPROPRIATION** ..... \$51,000,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$7,000,000 of the multimodal transportation account—state appropriation is for the projects listed in LEAP Transportation Document 2015 NLH-3 TRANSIT PROJECTS as developed April 12, 2015; and for King county metro transit: \$3,000,000 for Route 40 Northgate to downtown via Ballard for speed and reliability improvements along the corridor, \$3,000,000 for Route 48N University Link Station to Loyal Heights for speed and reliability improvements along the corridor, \$3,000,000 for 67th to Fremont Transit Corridor for speed and reliability improvements along the corridor, and \$3,000,000 for Route 43 and Route 44 Ballard to University District for speed and reliability improvements along the corridor.

(2) \$3,740,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost-effectiveness of trips provided.

(3) \$13,260,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2013 as reported in the "Summary of Public Transportation - 2013" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(4) \$9,000,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100.

(5) \$2,000,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies must cover capital costs only. Operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department must encourage grant applicants and recipients to leverage funds other than state funds.

(6)(a) \$1,000,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies located in counties with a population of seven hundred thousand or more that border Puget Sound to fund projects that further integration and coordination between two or more such agencies.

(b) The projects selected must involve one or more of the following criteria:

(i) Aligning fare structures;

(ii) Integrating service planning;

(iii) Coordinating long-range planning, including capital projects planning and implementation;

(iv) Integrating administrative functions and internal business practices; or

(v) Integrating customer-focused tools and initiatives.

(c) The transit agencies selected by the department to receive a grant must match the grant amount on at least a dollar for dollar basis.

**TRANSPORTATION AGENCIES—CAPITAL**

**NEW SECTION. Sec. 301. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**

Freight Mobility Investment Account—State Appropriation..... \$8,300,000

**NEW SECTION. Sec. 302. FOR THE TRANSPORTATION IMPROVEMENT BOARD**

Transportation Improvement Account—State Appropriation..... \$3,600,000

Connecting Washington Account—State Appropriation ..... \$10,000,000

**TOTAL APPROPRIATION** ..... \$13,600,000

The appropriations in this section are subject to the following conditions and limitations: \$10,000,000 of the connecting Washington account—state appropriation is provided solely for the complete streets program.

**NEW SECTION. Sec. 303. FOR THE COUNTY ROAD ADMINISTRATION BOARD**

Rural Arterial Trust Account—State Appropriation ..... \$1,800,000

County Arterial Preservation Account—State Appropriation..... \$1,800,000

**TOTAL APPROPRIATION** ..... \$3,600,000

**NEW SECTION. Sec. 304. FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I**

Connecting Washington Account—State Appropriation ..... \$145,325,000

The appropriation in this section is subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NLH-1 as developed April 12, 2015, Program - Highway Improvements Program (I); for the Interstate 5 Marine View Drive to State Route 528 project; for the Interstate 5/116th Street Interchange project; for the Interstate 90/Front Street Interchange justification report; for the State Route 520/148th Ave NE Overlake Access Ramp project in the 2017-2019 biennium; for design work on the State Route 522/Paradise Lake Road Interchange project; and for design work for the US Highway 2 Trestle project.

(2) The connecting Washington account—state appropriation includes up to \$15,515,000 in proceeds from the sale of bonds authorized by chapter . . . (House Bill No. 1298), Laws of 2015.

(3) In making budget allocations to the Puget Sound Gateway project (M00600R), the department shall implement the project's construction as a single corridor investment. The department shall develop a coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.

**NEW SECTION. Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P**

Connecting Washington Account—State Appropriation ..... \$87,333,000

The appropriation in this section is subject to the following conditions and limitations: The entire connecting Washington account appropriation in this section is for the projects and activities as listed in LEAP Transportation Document 2015 NLH-1 as developed April 12, 2015, Program - Highway Preservation Program (P).

**NEW SECTION. Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

Connecting Washington Account—State Appropriation ..... \$32,177,000

Multimodal Transportation Account—State Appropriation ..... \$9,028,000

**TOTAL APPROPRIATION** ..... \$41,205,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The entire connecting Washington account appropriation in this section is for the projects and activities as listed in LEAP Transportation Document 2015 NLH-1 as developed April 12, 2015, Program - Washington State Ferries Capital Program (W).

(2) Within existing resources, the department must evaluate the feasibility of utilizing the federal EB-5 immigrant investor program for financing the construction of a safety of life at sea (SOLAS) certificated vessel for the Anacortes-Sidney ferry route. The department must establish a group that includes, but is not limited to, the department of commerce and entities or individuals experienced with vessel engineering and EB-5 financing for assistance in evaluating the applicability of the EB-5 immigrant investor program. The department must deliver a report containing the results of the evaluation to the transportation committees of the legislature and the office of financial management by December 1, 2015.

(3) \$96,502,000 in state funds is to be provided over the life of the project for completion of the Seattle terminal replacement project, including: (a) Design work and selection of a preferred plan; (b) replacing timber pilings with pilings sufficient to support a selected terminal design; (c) replacing the timber portion of the dock with a new and reconfigured steel and concrete dock; and (d) other staging and construction work as the amount allows.

(4) \$99,000,000 in state funds is to be provided over the life of the project for the acquisition of a 144-car vessel.

(5) \$68,600,000 in state funds is to be provided over the life of the project for the completion of the Mukilteo terminal replacement project.

**NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y**

Multimodal Transportation Account—State

Appropriation..... \$4,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is for the projects and activities as listed in LEAP Transportation Document 2015 NLH-1 as developed April 12, 2015, Program - Rail Program (Y).

**NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z**

Multimodal Transportation Account—State Appropriation ..... \$15,000,000

Connecting Washington Account—State Appropriation ..... \$14,725,000

**TOTAL APPROPRIATION** ..... \$29,725,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NLH-1 as developed April 12, 2015, Program - Local Programs (Z); for design, right-of-way purchase, and funds for matching grants to fund construction on the SR 523 145th Street project; for the SR 99 Revitalization in Edmonds project; for the Harbour Reach Extension project; for the Covington Connector project; for the 41st Street Rucker Ave Freight Corridor Phase 2 project; \$5,000,000 for the Community Facilities District Improvements (Redmond) project in the 2015-2017 biennium; \$1,500,000 for the 41st Street Rucker Ave Freight Corridor in Everett project in the 2015-2017 biennium; and except for the SR 509 Bridge Connection to 28th/24th Ave S. project.

(2) \$5,000,000 of the multimodal transportation account—state appropriation is provided solely for the pedestrian and bicycle safety program.

(3) \$3,000,000 of the multimodal transportation account—state appropriation is provided solely for newly selected safe routes to schools projects. The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.

(4) \$7,000,000 of the multimodal transportation account—state appropriation is for the projects listed in LEAP Transportation Document 2015 NLH-2 PEDESTRIAN AND BICYCLE SAFETY PROJECTS as developed April 12, 2015.

**TRANSFERS AND DISTRIBUTIONS**

**NEW SECTION. Sec. 401. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE**

Connecting Washington Account—State Appropriation ..... \$78,000

**NEW SECTION. Sec. 402. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

Connecting Washington Account—State Appropriation ..... \$16,000

**NEW SECTION. Sec. 403. FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION**

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax distributions to cities and counties ..... \$53,156,000

**NEW SECTION. Sec. 404. FOR THE STATE TREASURER—TRANSFERS**

Motor Vehicle Account—State Appropriation: For motor vehicle fuel tax refunds and transfers ..... \$27,150,000

**NEW SECTION. Sec. 405. FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS**

(1) State Patrol Highway Account—State Appropriation:

For transfer to the Connecting Washington Account—State ..... \$9,700,000

(2) Transportation Partnership Account—State Appropriation: For transfer to the Connecting Washington Account—State.....

..... \$5,000,000

(3) Motor Vehicle Account—State Appropriation:

For transfer to the Connecting Washington Account—State ..... \$5,831,000

(4) Puget Sound Ferry Operations Account—State Appropriation: For transfer to the Connecting Washington Account—State.....

..... \$600,000

(5) Transportation 2003 Transportation (Nickel)

Account—State Appropriation: For transfer to the Connecting Washington Account—State ..... \$2,270,000

(6) Highway Safety Account—State Appropriation:

For transfer to the Multimodal Transportation Account—State..... \$1,900,000

(7) Motor Vehicle Account—State Appropriation:

For transfer to the Transportation Improvement Account—State..... \$3,600,000

(8) Motor Vehicle Account—State Appropriation:

For transfer to the Rural Arterial Trust Account—State ..... \$1,800,000

(9) Motor Vehicle Account—State Appropriation:

For transfer to the County Arterial Preservation Account—State..... \$1,800,000

(10) Multimodal Transportation Account—State

Appropriation: For transfer to the Regional Mobility Grant Program Account—State ..... \$15,000,000

(11) Multimodal Transportation Account—State

Appropriation: For transfer to the Rural Mobility Grant Program Account—State ..... \$9,000,000

**MISCELLANEOUS**

**Sec. 501.** RCW 46.68.030 and 2011 c 171 s 85 are each amended to read as follows:

(1) The director shall forward all fees for vehicle registrations under chapters 46.16A and 46.17 RCW, unless otherwise specified by law, to the state treasurer with a proper identifying detailed report. The state treasurer shall credit these moneys to the motor vehicle fund created in RCW 46.68.070.

(2) Proceeds from vehicle license fees and renewal vehicle license fees must be deposited by the state treasurer as follows:

(a) \$20.35 of each initial or renewal vehicle license fee must be deposited in the state patrol highway account in the motor vehicle fund, hereby created. Vehicle license fees, renewal vehicle license fees, and all other funds in the state patrol highway account must be for the sole use of the Washington state patrol for highway activities of the Washington state patrol, subject to proper appropriations and reapropriations.

(b) \$2.02 of each initial vehicle license fee and \$0.93 of each renewal vehicle license fee must be deposited each biennium in the Puget Sound ferry operations account.

(c) Any remaining amounts of vehicle license fees and renewal vehicle license fees that are not distributed otherwise under this section must be deposited in the motor vehicle fund.

(3) During the 2015-2017 fiscal biennium, the legislature may transfer from the state patrol highway account to the connecting Washington account such amounts as reflect the excess fund balance of the state patrol highway account.

**Sec. 502.** RCW 46.68.280 and 2003 c 361 s 601 are each amended to read as follows:

(1) The transportation 2003 account (nickel account) is hereby created in the motor vehicle fund. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as transportation 2003 projects or improvements in the omnibus transportation budget and to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements. Upon completion of the projects or improvements identified as transportation 2003 projects or improvements, moneys deposited in this account must only be used to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements, and any funds in the account in excess of the amount necessary to make the principal and interest payments may be used for maintenance on the completed projects or improvements.

(2) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation 2003 account (nickel account) to the connecting Washington account such amounts as reflect the excess fund balance of the transportation 2003 account (nickel account).

(3) The "nickel account" means the transportation 2003 account.

**Sec. 503.** RCW 46.68.290 and 2006 c 337 s 5 are each amended to read as follows:

(1) The transportation partnership account is hereby created in the state treasury. All distributions to the account from RCW 46.68.090 must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as 2005 transportation partnership projects or improvements in the omnibus transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.

(2) The legislature finds that:

(a) Citizens demand and deserve accountability of transportation-related programs and expenditures. Transportation-related programs must continuously improve in quality, efficiency, and effectiveness in order to increase public trust;

(b) Transportation-related agencies that receive tax dollars must continuously improve the way they operate and deliver services so citizens receive maximum value for their tax dollars; and

(c) Fair, independent, comprehensive performance audits of transportation-related agencies overseen by the elected state auditor are essential to improving the efficiency, economy, and effectiveness of the state's transportation system.

(3) For purposes of chapter 314, Laws of 2005:

(a) "Performance audit" means an objective and systematic assessment of a state agency or agencies or any of their programs, functions, or activities by the state auditor or designee in order to help improve agency efficiency, effectiveness, and accountability. Performance audits include economy and efficiency audits and program audits.

(b) "Transportation-related agency" means any state agency, board, or commission that receives funding primarily for transportation-related purposes. At a minimum, the department of transportation, the transportation improvement board or its successor entity, the county road administration board or its successor entity, and the traffic safety commission are considered transportation-related agencies. The Washington state patrol and the department of licensing shall not be considered transportation-related agencies under chapter 314, Laws of 2005.

(4) Within the authorities and duties under chapter 43.09 RCW, the state auditor shall establish criteria and protocols for performance audits. Transportation-related agencies shall be audited using criteria that include generally accepted government auditing standards as well as legislative mandates and performance objectives established by state agencies. Mandates include, but are not limited to, agency strategies, timelines, program objectives, and mission and goals as required in RCW 43.88.090.

(5) Within the authorities and duties under chapter 43.09 RCW, the state auditor may conduct performance audits for transportation-related agencies. The state auditor shall contract with private firms to conduct the performance audits.

(6) The audits may include:

(a) Identification of programs and services that can be eliminated, reduced, consolidated, or enhanced;

(b) Identification of funding sources to the transportation-related agency, to programs, and to services that can be eliminated, reduced, consolidated, or enhanced;

(c) Analysis of gaps and overlaps in programs and services and recommendations for improving, dropping, blending, or separating functions to correct gaps or overlaps;

(d) Analysis and recommendations for pooling information technology systems used within the transportation-related agency, and evaluation of information processing and telecommunications policy, organization, and management;

(e) Analysis of the roles and functions of the transportation-related agency, its programs, and its services and their compliance with statutory authority and recommendations for eliminating or changing those roles and functions and ensuring compliance with statutory authority;

(f) Recommendations for eliminating or changing statutes, rules, and policy directives as may be necessary to ensure that the transportation-related agency carry out reasonably and properly those functions vested in the agency by statute;

(g) Verification of the reliability and validity of transportation-related agency performance data, self-assessments, and performance measurement systems as required under RCW 43.88.090;

(h) Identification of potential cost savings in the transportation-related agency, its programs, and its services;

(i) Identification and recognition of best practices;

(j) Evaluation of planning, budgeting, and program evaluation policies and practices;

(k) Evaluation of personnel systems operation and management;

(l) Evaluation of purchasing operations and management policies and practices;

(m) Evaluation of organizational structure and staffing levels, particularly in terms of the ratio of managers and supervisors to nonmanagement personnel; and

(n) Evaluation of transportation-related project costs, including but not limited to environmental mitigation, competitive bidding practices, permitting processes, and capital project management.

(7) Within the authorities and duties under chapter 43.09 RCW, the state auditor must provide the preliminary performance audit reports to the audited state agency for comment. The auditor also may seek input on the preliminary report from other appropriate officials. Comments must be received within thirty days after receipt of the preliminary performance audit report unless a different time period is approved by the state auditor. The final performance audit report shall include the objectives, scope, and methodology; the audit results, including findings and recommendations; the agency's response and conclusions; and identification of best practices.

(8) The state auditor shall provide final performance audit reports to the citizens of Washington, the governor, the joint legislative audit and review committee, the appropriate legislative committees, and other appropriate officials. Final performance audit reports shall be posted on the internet.

(9) The audited transportation-related agency is responsible for follow-up and corrective action on all performance audit findings and recommendations. The audited agency's plan for addressing each audit finding and recommendation shall be included in the final audit report. The plan shall provide the name of the contact person responsible for each action, the action planned, and the anticipated completion date. If the audited agency does not agree with the audit findings and recommendations or believes action is not required, then the action plan shall include an explanation and specific reasons.

The office of financial management shall require periodic progress reports from the audited agency until all resolution has occurred. The office of financial management is responsible for achieving audit resolution. The office of financial management shall annually report by December 31st the status of performance audit resolution to the appropriate legislative committees and the state auditor. The legislature shall consider the performance audit results in connection with the state budget process.

The auditor may request status reports on specific audits or findings.

(10) For the period from July 1, 2005, until June 30, 2007, the amount of \$4,000,000 is appropriated from the transportation partnership account to the state auditors office for the purposes of subsections (2) through (9) of this section.

(11) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation partnership account to the connecting Washington account such amounts as reflect the excess fund balance of the transportation partnership account.

**Sec. 504.** RCW 47.60.530 and 2011 1st sp.s. c 16 s 1 are each amended to read as follows:

(1) The Puget Sound ferry operations account is created in the motor vehicle fund.

(2) The following funds must be deposited into the account:

(a) All moneys directed by law;

(b) All revenues generated from ferry fares; and

(c) All revenues generated from commercial advertising, concessions, parking, and leases as allowed under RCW 47.60.140.

(3) Moneys in the account may be spent only after appropriation.

(4) Expenditures from the account may be used only for the maintenance, administration, and operation of the Washington state ferry system.

(5) During the 2015-2017 fiscal biennium, the legislature may transfer from the Puget Sound ferry operations account to the connecting Washington account such amounts as reflect the excess fund balance of the Puget Sound ferry operations account.

**NEW SECTION. Sec. 505.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**NEW SECTION. Sec. 506.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Signed by Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist; Gregerson; Kochmar; McBride; Moeller; Morris; Ortiz-Self; Riccelli; Rodne; Sells; Tarleton and Zeiger.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth; Hayes; Pike; Shea; Wilson and Young.

MINORITY recommendation: Without recommendation. Signed by Representative Takko.

Passed to Committee on Rules for second reading.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

There being no objection, the House advanced to the eighth order of business.

There being no objection, the Committee on State Government was relieved of SENATE BILL NO. 5978, and the bill was referred to the Committee on Appropriations.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 10:00 a.m., April 20, 2015, the 99th Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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